

July 6, 2010

Randy Sekany
President
San Jose Fire Fighters, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

Re: Contract Negotiations

Dear Randy:

The City and the Local 230 negotiation teams met on Thursday, July 1, 2010, to continue discussions in an effort to reach an agreement on a new contract. Unfortunately, we did not make any progress towards achieving an agreement.

During the meeting, Local 230 requested that the City write you a letter that includes information regarding negotiations, as well as the 2010-2011 budget, which is summarized below. The information in this letter has been discussed in our meetings and/or contained in our prior letters. Please see <http://www.sanjoseca.gov/employeeRelations/iaff.asp> for more information.

- Local 230's contract expired on June 30, 2009, over one year ago.
- Since we had not been able to reach an agreement after negotiations and mediation, the City and Local 230 were proceeding towards binding arbitration as required under the City Charter. The arbitration was scheduled for June 2010. However, the City proposed rescheduling the arbitration in order to see if it was possible to reach an agreement with Local 230 on a new contract. Unfortunately, we did not reach an agreement.
- Given that the City had to solve a \$118.5 million deficit, the City Council had to make many difficult decisions that reduced or eliminated important services to our community.
- These difficult decisions included the elimination of over 70 sworn positions in the Fire Department. Since the budget for Fiscal Year 2010-2011 has already been approved, these positions have already been eliminated in the budget.
- Although the budget is effective on July 1st, layoffs do not occur until August 1, 2010.
- However, if an agreement is reached with Local 230 by July 19th, that includes sufficient concessions, it will restore Fire Department services that have been eliminated as a result of the approval of the Fiscal Year 2010-2011 budget.
- If no agreement is reached between the City and Local 230 that is ratified by the membership by July 19th, the layoffs will occur on August 1, 2010.
- In addition, if no agreement is reached, the City and Local 230 will participate in the binding interest process required by the City Charter commencing on November 8, 2010.

For your reference, we are including a list of the Fire Department Services that will be eliminated as a result of the adoption of the Fiscal Year 2010-2011 budget.

Fiscal Year 2010-2011 Adopted Budget	No. of Positions
Truck Company 3	16
Engine Company 33	15
Engine Company 35	15
Engine Company 34	13
Engine Company 30	13
Total Position Eliminations	72

Also per your request, in addition to this letter we will be sending you an example of how a 10% total compensation reduction would affect a top step firefighter if it was taken all as a base pay reduction rather than in a combination of pay and benefit changes.

As we have communicated to Local 230, the City is concerned that we have a very limited amount of time to reach an agreement that could restore the public safety services in the Fire Department before the layoffs occur. However, we remain hopeful that an agreement will be reached, and we look forward to our next meeting on July 13th.

Sincerely,



Alex Gurza
Director of Employee Relations

c: Jeff Welch, Local 230 Vice President
Juan Diaz, Local 230 Representative
Chris Platten, Local 230 Legal Counsel
Teresa Reed, Acting Fire Chief
Aracely Rodriguez, City Negotiating Team Member
Marcus Hermanson, City Negotiating Team Member